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JPRS L/9225

29 July 1980

Near East/North Africa Report

(FOUO 27/80)



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NEAR EAST/NORTH AFRICA REPORT

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INTER-ARAB AFFAIRS

JORDANIAN FINANCIAL MARKET IN 1970'S DESCRIBED

Paris AL-WATAN AL-'ARABI in Arabic 30 May - 6 Jun 80 pp 48-49

[Article: "The Jordanian Financial Market In the 1970's: Very Active With Local, Arab and Foreign Investments and Loans"]

[Text] [Governor of Jordanian Central Bank] al-Nabulusi:
"Amman is not competing with Beirut. We look forward to the two markets complementing each other."

Political stability in Jordan has helped to invigorate the Jordanian financial market, which has come to play a major role in the economy and in financing public and private sector development and construction projects. But does Amman want to take over the role of Beirut?

Amman--AL-WATAN AL-'ARABI--During the 1970's, and especially in the last five years, the growth of the financial market in Jordan has attracted the attention of Arab and foreign economists, financiers and businessmen, particularly after many organizations relocated from Beirut to Amman to escape the Lebanese war.

Jordan has recently acquired most of the specialized organizations required for establishing an active financial market. In addition to the Central Bank, there are 16 commercial banks; 2 investment banks; 6 specialized loan institutions; 28 insurance companies; 2 financial investment companies; a number of contractual savings and investment institutions; and an ample number of brokers in the Amman financial market.

Private sector deposits in Jordanian banks rose sharply during the last five years, from 141 million dinars in 1975 to 541 million dinars in 1979.

The banks offer short-term and medium-term loans and advances to the various economic sectors, particularly business, industry, construction and real estate. Along with the increased sources of bank capital, and the increased number of banks, credit facilities have markedly improved inasmuch as they rose from 121 million dinars in 1974 to 465 million dinars in 1979.

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Loans On Easy Terms

That is the situation of the commercial banks. What is the situation of the other financial institutions?

The specialized loan institutions offer loans on easy terms to the agriculture, industry, tourism and housing sectors, and to small businessmen, municipalities and village councils in order to encourage, develop and improve these sectors.

These institutions depend above all on their capital, and on domestic and foreign borrowing, except the housing bank, which is the sole institution that accepts deposits, and to a great extent relies on the deposits as a source for financing.

The assets and liabilities of the specialized loan institutions at the end of 1979 amounted to more than 190 million dinars. The amount of their loans exceeded 131 million dinars, of which more than 100 million dinars was provided to the private sector. The housing bank alone had over 86 million dinars in deposits.

There are 28 insurance companies operating in Jordan, half of which are Jordanian and half branches of foreign companies. These companies pursue all the customary activities of insurance companies. They offer automotive, maritime, fire and general accident insurance. There are 11 life insurance companies, of which 4 are Jordanian.

These companies invest the largest part of their liquid assets as deposits in the banks. This is followed by investment in financial papers such as company stocks and bonds, then loans offered to their customers, with security in the form of real estate, insurance policies or government guarantees. At the end of 1979 premiums collected by the insurance companies amounted to approximately 13 million dinars, while claims paid out amounted to approximately 6 million dinars.

In the area of savings, there is a postal savings fund. It was the first institution [of its kind], having begun its operations in 1974 for the purpose of gathering and attracting small savings. It now has 63,000 depositors with deposits of more than 3 million dinars.

There is the Jordanian Retirement Fund which was established to take over government obligations in accordance with the statutes of the civil and military retirement laws. This fund has recently begun to function as a collecting agency for investment. Its total investments at the end of last year amounted to approximately 25 million dinars.

With regard to foreign financing, the borrowed European dollar market has entered Jordan in recent years to implement large-scale industrial projects such as fertilizer manufacturing, phosphate and potash production, oil refining, and so on.

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Jordan contracted for 224 million dollars in loans in 1977, 100 million dollars in 1978, and 17 million dollars in 1979.

The reason for the decrease in the amount borrowed from the European dollar market from 1977 to 1979 is the encouragement given by the Jordanian authorities to companies and public institutions to issue commercial bonds in the local market in order to increase their financial resources. In fact, for the first time, commercial bonds valued at 5 million dinars were issued in 1979.

According to the governor of the Jordanian Central Bank, Dr Muhammad Sa'id al-Nabulusi, Jordan is enjoying an excellent climate for investment. In addition to the political stability with which it has been blessed, and its mixed economic system, Jordan is distinguished by its strategic location between the countries of the Middle East and East Africa. This enables it to serve as a commercial and financial intermediary between the markets of these countries. Moreover, Jordan has an abundance of trained cadres of administrators and workers, as well as a modern and advanced communications system and an integrated financial apparatus.

Amman Has Not Profited From Beirut's Misfortune

Dr al-Nabulusi went on to say that along with the kingdom's increased aspirations for development, the need for private foreign capital increased. The Jordanian people have worked very hard, particularly since 1973, to adjust the laws, taxes and bureaucracy, and to provide material incentives to attract foreign capital. Most important have been investment guarantees, the treatment of Arab and foreign capital on an equal footing with Jordanian capital, and the offering of many rights, privileges and tax exemptions.

Although the investment encouragement law has been markedly successful in attracting money from Jordanians working abroad, as well as from Arab citizens, nevertheless, despite the big exemptions that it offers, it has had only limited success in attracting investments from Europe and the United States.

In response to those who say that Jordan's financial market has grown and developed at the expense of the Beirut market, which has stagnated as a result of the Lebanese war, Dr al-Nabulusi said, "Amman's development into an Arab financial center did not happen suddenly or by chance. It is the fruit of continuous efforts by the Jordanian authorities over two decades. Amman does not desire, nor is it able, to compete with the private financial center of Beirut. It has no desire to exploit the unfortunate circumstances that have overtaken our sister nation of Lebanon. On the contrary, we in Jordan look forward to the day in the not too distant future when Lebanon will regain its stability so that we can strengthen financial relations between Amman and Beirut in the interest of Jordan, Lebanon and the entire Arab world."

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In Dr al-Nabulusi's view, there is no conflict between Amman and Beirut as financial centers. If one of them is flourishing, it does not have to be at the expense of the other. Each financial market has its special functions which develop and thrive when it cooperates with, and complements the other Arab financial markets.

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ISLAMIC AFFAIRS

RESULTS OF ISLAMIC CONFERENCE SUMMARIZED

Paris AL-WATAN AL-'ARABI in Arabic 23-24 May 80 p 25

[Article: "The Islamic Conference; Hostage Crisis Relegated to Rear Rank."]

[Text] The issue of the Soviet suppression of Afghanistan dominated the attention of the Islamic nations' foreign ministers conference, while the Israeli Knesset's decision to confirm Jerusalem as Israel's "eternal" capital provoked Moslem sentiments. The conference recommended turning the issue of the holy city over to the international Security Council.

The eleventh regular session of the Islamic nations' foreign ministers convened in Islamabad. Each of the 40 ministers and delegates had different agendas in mind in terms of the order of items

Mr Sadeq Qotbzadeh, for instance, had no sooner set foot in the Islamabad airport when he summoned reporters and dictated the conference agenda to them, placing the American hostage crisis at the top of the agenda, followed by the Afghanistan issue, the Palestinian question, Southern Lebanon, and then the issue of Iraqi "aggression" against Iran!

However, most conference delegates did not share Qotbzadeh's views about placing the hostage crisis at the head of the agenda. Earnest and sincere attempts were made behind the scenes to persuade Qotbzadeh to convey the general desire of the Islamic nations to his government regarding finding a rapid solution to the hostage crisis.

In fact, there is a general Islamic feeling that Iran itself, without any outside help, could find for itself a practical solution to the hostage crisis, before it loses face.

Clearly, most of the Islamic nations no longer understand the justification for continuing to hold 50 hostages since last November without clear Iranian demands having been set in exchange for their release.

However, the prevailing belief is that the inability of the Iranian political leadership to make a decision in this regard and to impose it upon the

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Iranian groups holding the hostages is the thing that is prolonging the crisis, making it ripe for exploitation, intensifying the international polarization in the region, and exposing it to direct intervention either from the United States or the Soviet Union.

Behind-the-scenes discussions were aimed at trying to persuade Qotbzadeh that the hostage crisis in Iran led to the Soviets seizing the opportunity to suppress Afghanistan and to threaten more Islamic nations with domination or more "intervention" in their affairs.

Calming Defiant Feelings

Thus, the Iranian minister's efforts to place the hostage crisis at the top of the agenda did not bear fruit, and the cause of Afghanistan re-occupied its basic position in the conference's attention.

The conference dealt with this issue, within the meeting hall or behind the scenes, with a more optimistic and open atmosphere than the pessimistic one prevailing during January's conference, when religious sentiment was dominant and affected by the Soviet crushing of a small, poor and weak Islamic state.

Proposals of a somewhat flexible nature, submitted by the Eastern bloc during the past few days, to solve the Afghanistan problem, helped to kindle this optimism.

This does not mean that these proposals are acceptable. Saudi Arabia, for example, made it clear that they were unacceptable. In exchange, it planted in the conferees' minds the idea of offering practical and constructive proposals which would constitute a path toward solving the problem. However, points of view regarding this matter were dissimilar, reflecting the differing positions of Eastern and Western nations.

The conferees noted that, while the United States vehemently rejected the Soviet proposals, Western nations, particularly Britain, appear to be in agreement with these proposals and consider them realistic.

It is well-known that Britain feels it would be impossible for the Soviet Union to accept the downfall of the present Marxist regime in Afghanistan, and withdraw from the country, leaving power to the rebellious Islamic groups. Based on this, the British government believes that the world and the West must concede that Afghanistan has at present entered the Soviet orbit, and has in fact, in one way or another, been there even before the Marxists regime came to power in 1978.

However, do the Islamic states accept the British viewpoint? That is very doubtful, despite the fact that the defiant sentiments stirred up by the Soviet invasion have calmed down a little. But, circumstances may not permit the conference, for its part, to submit a practical, flexible solution at the present time, even though there has been considerable encouragement by Europe for the conference to adopt a solution of this kind.

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It is well worth mentioning that two countries, completely different in their policies, have continued to be excluded from the conference. The first is Afghanistan, because of its Marxist regime imposed by force by the Soviet army, and the second is Egypt which used to play a prominent role in such conferences. However, Egypt has been excluded, because of its regime's defiance of Islamic sentiments and Arab interests by concluding a unilateral pact with Israel, which has illegally seized Palestine and is still occupying the territory of four Arab nations, including Egypt itself.

Nevertheless, the case that dominated the conference's attention was the question of Jerusalem, which in fact was the issue of the hour, perhaps because Israel has chosen to defy the sentiments of nearly 900 million Moslems by issuing a decision from the Knesset, making Jerusalem its "eternal capital."

The conference adopted a recommendation, submitted by the Jerusalem committee, calling on the Security Council to debate the situation in the city in light of the Knesset's resolution. The conference also adopted a recommendation to the effect that its member nations should sever relations with any state that violates UN resolutions and recognizes Jerusalem as the capital of Israel.

Pakistani proposals also attracted attention. Pakistani President Muhammad Zia ul-Haq, at the conference's opening session, called for establishing a system of Islamic collective security, alluding to the Islamic nations' vast military power. He even submitted a proposal to form a joint command of commanders of Islamic armies, whose mission would be to coordinate defense of the interests of the Islamic peoples, and to manifest these nations' desire to put teeth in their spiritual and ethical power.

In spite of this interest, it is unlikely that the Pakistani proposals will be implemented in the foreseeable future. The Islamic nations, even on the political level, are still divided and feuding. They are beginning to feel their way toward the establishment of practical cooperation and coordination among themselves to eliminate conflicting interests, dissimilar aspirations, and incompatible affiliations and loyalties.

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EGYPT

BRIEFS

OTOMAT ANTI-SHIP ROCKET--Egypt is to be equipped with Otomat anti-ship missiles made with Franco-Italian cooperation by MATRA [expansion unknown] and OTO [expansion unknown] Melara. In an article on the Egyptian navy, the French journal COLS BLEUS, a navy and dockyard weekly, announced on 14 June 1980 that the Egyptian navy has ordered from the British shipyard, Vesper Thornicroft, six heavy missile-launching patrol boats of the Hamadan class, each of which will put four Otomat missiles in operation. The first patrol boat was launched on 6 September 1979. The journal states that the same shipyard has begun modernizing six Komar class patrol boats, each to be armed with two Otomat missiles, and other units of the same class will be similarly armed in Egypt. COLS BLEUS also announces that a contract has been signed with the French firm MATRA for delivery of Otomat coastal missile batteries. [Text] [Paris AIR ET COSMOS in French 21 Jun 80 p 33] 8946

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IRAQ

IRAQI MILITARY SUPERIORITY OVER IRAN ANALYZED

Paris AL-WATAN AL-'ARABI in Arabic 9-15 May 80 pp 25-26

[Article: "Iraq Easily Capable of Occupying Iranian Oil Fields."]

[Text] Strategy experts ridicule Khomeyni's threat to mobilize 20 million Iranians to march against the Arab World. They say that Iran does not constitute a military threat to Iraq, and that it is possible for Iraq to easily occupy the Iranian oil wells, relying on its military superiority and on the sympathies of Arab inhabitants there.

In spite of serious deterioration in relations between Iraq and Iran in the past few days, informed Arab circles still think it unlikely that widespread clashes between the two countries might develop into open warfare.

These circles believe that it is in the interest of the current Tehran regime to escalate tension in its foreign relations, be it with the major powers or with its Arab neighbors, particularly Iraq. This is in fact just what Iran is trying to do.

Whenever the Khomeyni regime has driven the ball out of its court, it has been relatively able to maintain Iran's cohesion and unity, which has apparently begun to disintegrate and collapse a year after the revolution. Therefore, introducing foreign adventures and confrontations puts off the urgently needed solutions to pressing internal problems, such as solving the minorities question and dealing with the economic situation.

In fact, the Khomeyni regime, with its numerous power centers and these centers' foreign connections, has as yet been unable to ensure the desired political stability and appears to be incapable of finding urgent solutions to the Iranian problems and difficulties.

As for the matter of the American hostages, it has lost its glitter. Little by little, Iranians have begun to turn away from it to their increasingly grave daily problems. Therefore, the regime has to find another foreign problem in order to divert the Iranians' attention away from their problems, for which the regime has been incapable of finding solutions.

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Consequently, the Tehran "ayatollahs" have begun to concentrate on escalating the tension with Iraq and to talk about "exporting the revolution" to neighboring Arab states. There has been nothing forthcoming from Iraq as yet to indicate that it is determined to enter into military confrontation with Iran, despite the fact that it does not fear the results of any short or long-term battle with the Iranians. Iranian military power, in the opinion of Western strategists, does not constitute any threat to Iraq, which enjoys marked military superiority.

These experts also recognize that Iraq today is the most powerful military force in the Middle East, with the exception of Israel with its outstanding American weaponry, and has rapidly replaced Iran as the principal, respected military force in the Gulf.

Iraq has doubled the size of its military forces since 1973. It has a well-organized, trained army with solid military leadership. All its personnel enjoy high morale, as a result of strong, devoted political leadership, represented by the leadership of President Saddam Husayn. This is the reverse of the situation in Iran, where organization and morale in the Iranian armed forces have deteriorated under the aegis of the present regime.

The Arab inhabitants of Arabistan look to Iraq as their basic support in their struggle for self-determination. This is a matter which raises the suspicions of the Iranians who have hastened to accuse Iraq of nurturing pan-Arab desires in that oil-rich province, which shares a 300 km border with Iraq. The entire joint border between the two countries is 1250 km.

Rapid Iraqi Progress in Arabistan

Surely the Iranians will blame themselves a great deal whenever they think about the military progress across the Iraqi border, as they feverishly carry out orders recently issued to them by Khomeyni. They will discover that the Iraqi forces are capable, in the view of Western strategists, of crushing any advance over their territory. The Iraqis would then be able to push rapidly across the Shatt al-'Arab into the oil field area in Iranian Arabistan, through clear naval, air and ground superiority.

The experts believe it possible for Iraq to easily control the area whose Arab inhabitants demand their independence, especially since their sentiments would be completely in tune with any Iraqi military initiative in their area.

Iraqi Superiority in Numbers

In Western estimates, Iraq has a quarter million troops under arms, divided among four armored divisions, two mechanized divisions, and one infantry division. This is compared to 100,000 Iranian troops, who are what is left of an army comprising about 400,000 troops during the shah's regime. Iraq's

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arsenal includes 2500 modern tanks, including hundreds of Soviet T62 and T72 tanks which are comparable to the most modern Western tanks. They also have French MX-3 tanks, in addition to 2500 armored personnel carriers. Iran has 900 British Chieftain tanks and hundreds of American tanks which are relatively old and need maintenance and spare parts.

Iraqi firepower includes 1100 artillery pieces, and 50 SCUD-B and FROG-7 missiles (ground to ground).

Modern weapons have poured into Iraq from various Western and Eastern sources, including SS-12 missiles, French anti-tank missiles and Super Matra (air to air) missiles.

Iraqi superiority in air armaments is evident, since it has raised its number of fighter-bombers from 393 in 1973 to 725 at present. This includes 120 MiG-21, 80 MiG-23, 100 Sukhoi, scores of transport aircraft, 26 Mirage F1s, 130 Soviet helicopters and another 100 French helicopters. It is expected that Iraq will take delivery, in the foreseeable future, of approximately 250 other aircraft, either MiG-23 or MiG-25 types. It is also expected to obtain the advanced French Mirage 2000 aircraft.

As for Iran, it has 425 aircraft of inferior level, except for 76 F-14 aircraft, all of which are not believed to be serviceable, because they need maintenance and replacement parts. The rest include F-4 and F-5 aircraft.

Iraq also enjoys naval superiority, since it has missile boats, rapid-movement torpedoes, and anti-submarine torpedoes. Iraq is expected to receive several advanced naval units shortly.

Will a military confrontation occur between Iraq and Iran? Western strategists say that Iraq, for its part, has not yet initiated any action indicating its decision to direct a military strike against its neighbor Iran, despite the daily military provocations directed at it by responsible and irresponsible mouthpieces in Iran.

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ISRAEL

OPPOSITION LEADER SHIMON PERES INTERVIEWED

[LD161035 London THE TIMES in English 16 Jul 80 pp 1, 8]

[Interview with Israeli Labor Party Leader Shimon Peres by Christopher Walker; datelined Jerusalem 15 July]

[Text] Mr Shimon Peres, the leader of Israel's Opposition Labour Party, today ruled out the possibility of any future government that he would lead agreeing to compromise on the issue of Israeli sovereignty over East Jerusalem or to dismantle any of the 100 or more Jewish settlements built on occupied Arab land.

In an interview with THE TIMES, Mr Peres emphasized that although an attempt to open negotiations with Jordan would be the main thrust of his foreign policy, a labour administration would refuse to hand back either the Jordan Valley or the Etzyon Block, a cluster of Jewish settlements between Bethlehem and Hebron.

"These are areas which we will insist remain under Israeli control because they are necessary for the defences of our country," he told me. "They are a strategic need. Also, we do not differ with the present government on the need to keep United Jerusalem as the capital of Israel."

Mr Peres refused to disclose the precise boundaries which Israel would be prepared to discuss. But scrutiny of the settlement map shows that his position would exclude handing back to Jordan land containing about 40 settlements, and the new Jewish suburbs built in East Jerusalem since 1967.

He also made it clear that his government would contemplate handing back only parts of the West Bank if the areas concerned remained demilitarized. "Look at that Mosque," he said, pointing from the window of his Knesset office. "That was the Jordanian frontier. Nobody would agree to have a hostile army there."

Like the present right-wing government the labour party remains implacably opposed to the idea of creating an independent Palestinian state. Its so-called "Jordanian option" is based on the premise that any section of the West Bank over which Israel relinquished control would become part of Jordan after an interim period of joint rule.

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"We do not intend to dismantle any settlements because we do not see anything wrong in Jewish people living under non-Jewish sovereignty," he went on.

The labour leader's outline of his stand comes when the ruling coalition is facing severe political difficulties and when all opinion polls agree that the opposition would win the next election, which must be held at the latest in November, 1981.

Mr Peres was unable to provide any hard evidence for his repeated claim that King Husain of Jordan would be prepared to negotiate under labour's terms, a claim vigorously denied by the King, and strongly doubted by many leading diplomats in the Middle East.

Earlier this year, King Husain told THE TIMES that on no account would he be prepared to negotiate over "an inch of Palestinian soil, or an iota of Palestinian rights." More recently, he declared that Jordan's minimum demands were: "Total Israeli withdrawal from all territories, including Jerusalem and restoration of Palestinian rights, including self-determination."

Pressed for evidence of his conviction, Mr Peres explained, "Today, when we are watching Jordan, one can easily notice that the voice is that of the Palestinians, but the acts are those of the Jordanians, and I am equally impressed by acts as by words."

He added: "The King carries a legal responsibility for the West Bank which he cannot escape. I think that somewhere in his heart he would like to reconquer by peace what he has lost by war. He would like everything, but he knows that we will never agree to that, because war is not a game we can forget easily."

Mr Peres also argued that King Husain would eventually agree to talk because he would realize that "an additional Palestinian state," would be a permanent danger to Jordanian stability.

To explain his point, Mr Peres said, with a grin: "A good friend of mine who is Jordanian told me that if I was locked in a room with Husain and Arafat, and Arafat had the only gun with a single cartridge, I need not worry."

At the next election, the labour party would make its invitation to Jordan a central plank in its campaign, combined with a pledge to act quickly to conclude negotiations with Egypt over the implementation of Palestinian autonomy in the Gaza Strip.

"That would demonstrate that Egypt's interests are not limited just to the Egyptian part of the problem, and it would be reasonable for us. We do not want to incorporate the 450,000 Palestinians who inhabit Gaza into the body of Israel."

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Although not willing to evacuate any settlements, a future labour government would prevent the building of new Jewish outposts in areas of concentrated Arab population like Hebron. Mr Peres pledged today not to implement the Begin government's controversial scheme to build a Jewish religious college and museum in the exclusively Arab town.

Mr Peres, who is 57, rejected the biblical views of the extremist Gush Emunim group which believes in maximizing Jewish presence in the occupied territories.

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LEBANON

PHENOMENON OF DOMESTIC ASSASSINATION OF POLITICAL LEADERS ANALYZED

Paris AL-WATAN AL-'ARABI in Arabic 16-22 May 80 pp 30-32

/Article: "Who Will Be Victim Number 19? Intelligence Agencies Are Tracking Lebanon's Leaders"/

/Text/ In Issue 122 of last 15 June, AL-WATAN AL-'ARABI anticipated that the leaders and politicians of Lebanon would be facing a wave of assassinations and physical liquidations. Since then, in the past 6 months, 18 assassination attempts have been made with the object of committing aggressions on these persons' lives. Today AL-WATAN AL-'ARABI is trying to look into the reasons and motives for this terrifying vortex Lebanon is living through, supporting itself by the analyses and contents of an official security report presented to higher Lebanese authorities.

It was not odd that the Maronite bishops' retreat headed by Patriarch Khuraysh should conclude with the condemnation of the assassinations taking place in Lebanon, and it was not strange that the bishops should call for prayers to overcome the causes of division and for the sowing of love in people's hearts, following the aggravated wave of violence underway in the country.

The bishops were not alone in feeling anxiety over the increasing political liquidation attacks in Lebanon. Official Lebanon is afraid of this wave which is passing over it and officials are talking about reports which do not portend relief in the near future so much as they portend that the prelude to any political relief will be the liquidation of political personalities in order to put a practical limit to some existing extremist positions, since the positions have become linked with individuals.

Has the final liquidation stage begun, or did it begin some time ago? Did it almost reach its climax recently?

What is the Lebanese's anticipated picture regarding the things the fears of assassination raise?

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Who are the targets on the blacklist?

Hardly a day passes in Lebanon that liquidation operations and political assassinations do not take place against people from various parties and forces on the stage which are coming to prominence, though they do not extend to leaders of the first or second rank.

However, this situation does not prevent the occurrence of almost weekly attempts on political personalities possessing weight on their own or in the current Lebanese situation.

A Report on Official Information

A report which the Lebanese Security Agency presented to President Ilyas Sarkis stated that 18 assassination attempts have been made against Lebanese political personalities in the past 6 months, but these attempts were not connected to the atmosphere of security outbursts among party forces and militias in various areas of Lebanon.

On its second page, the report stated "Twelve assassination attempts have been made in the last 6 months and investigations have not succeeded in ascertaining whether local elements were behind them. In seven of them, methods of explosion through the long-range detonation of charges in cars or at street corners swarming with vehicles and pedestrians were used."

Although this report could not identify any specific foreign parties to which investigations pointed, one paragraph in it asserted "The radio detonation methods used were not local ones; rather, they were advanced equipment imported from the black market in Europe, in particular West Germany."

While this statement does not constitute factual evidence of the existence of foreign or Israeli hands in what is going on, it in any event underlines the existence of a mentality which is able to use all the modern electronic means in the world of violence for the sake of its objectives.

Former President Sa'ib Salam says, whenever he hears of an assassination attempt against a Lebanese political personage, that evil hands are now trying to resolve the political situation to their benefit by eliminating groups whose existence they do not desire. This method is a double-edged sword which could in practice lead the political parties to gravitate toward extreme positions which will not help those with evil hands to reap the fruits of what they are doing.

Shaykh Pierre al-Jumayyil, who has been exposed to more than one assassination attempt, has stated that foreign elements are working in Lebanon to widen the rift of the dispute between political groups in order to sanctify the partition and prevent the Lebanese from achieving reconciliation.

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Walid Jumblatt, chief of the Socialist Progressive Party, has said in his talks with the National Movement staff that it is impossible to acquire immunity against the assassination attempts going on in Lebanon and that all political forces must cooperate to put a limit to these dangerous operations.

Although Walid Jumblatt did not bring the good news of an approaching solution, as he stressed in the ceremony commemorating the group of men fallen in battle in the al-Shuf region, and although he stated that the solution would not come and that the situation would not quiet down because the conspiracy is continuing, his circles assert that the Druze leader is afraid of new developments which might thwart all the attempts being made to achieve reconciliation among political forces and implementation of the principles of national unity.

The Political Objective of Assassination

The fact is that acts of political assassination have not in general been successful in past months. Perhaps this has prompted a number of informed observers to state that these attempts are aimed at tightening ranks and raising the sword of terror over the heads of political people in one body or another.

Some of these people believe that the assassinations have on the other hand led to the mobilization of political figures who have aimed at paths of political moderation. They have come to feel that the assassinations have not affected politicians following a moderate path or people enjoying good relations with various political powers.

However, the validity of this theory has not yet been proved, and it appears that some Arab embassies' information regarding the probable existence of schemes to assassinate a number of moderate politicians, in order to intensify the affiliation of other leaders of one given orientation or another, has resulted in a shuffling of cards, putting everyone in the same boat, as the Lebanese expression goes.

In the light of these fears, political forces have been actively attempting to learn about the bodies which lie behind the assassination attempts. In Lebanon, where "there is a conspiracy behind every event," views which volunteer to give information condemning one party or another always stand out, though there is no evidence to prove the statement or allegation.

It appears from the parties whose theories are concerned with today that the intelligence services active in Lebanon are the ones to which the fingers of accusation are to be pointed the most, because obscurity usually surrounds the assassination operations and intelligence agencies, unifying doubts and leaving much scope for the raising of formulations based on methods in the arts of killing.

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These theories have not spared any intelligence agencies in their charges although fingers of accusation in the attempt against Ahmad al-Khatib, commander of the "Arab Army of Lebanon" organization, were pointed at the intelligence organization of Lt Col Juni 'Abduh in the Lebanese army, and fingers of accusation in the attempt against former President Camille Chamoun were pointed at Israeli intelligence, the intelligence branch of the Phalange Party and Syrian intelligence, and, while there were contradictory charges in the attempt against one of al-Jumayyil's children--to the point where the attempt seemed to be the act of a son against his father or against his brother, and they did not spare the agencies of former president Franjiyah, the agencies of the Palestinian resistance and Syrian intelligence--or even the partisans of President Chamoun.

Talk about assassination attempts must differentiate between the people making the plan and the instruments of execution. Perhaps this is what the report presented to President Sarkis referred to. The report states that the circumstances of certain assassination attempts confirmed the presence of elements inside closed areas and even within political forces which are known to have shown sympathy for what went on, through the execution of the job, by facilitating the setting of charges, or even by guaranteeing the perpetrators' easy departure from the area.

The Unknown Element

The report gives an example of this in the attempt to assassinate Shaykh Pierre al-Jumayyil, commander of the Phalange militia, whose daughter and companions were its victims. The report states that the perpetrators relied on a person who could observe Bashir al-Jumayyil's car when it passed through the detonation zone and that this person could not have determined that from a remote location because of the high buildings and walls in the zone.

This theory led the Phalange Party to surround the area and comb it house by house in an attempt to discover the perpetrator, but this did not show positive results--proving the ability of participating or cooperating personnel to move easily in the area.

The report points to the Phalange investigation minutes on this incident. These contain the fact that the perpetrator may have been given the detonation signal by telephone as soon as Bashir al-Jumayyil's car approached the mined car, in confirmation of the point that one cannot unravel this kind of operation because there is no proof or equipment in the hands of the perpetrators which could lead to their conviction.

The fact is that the political climate in Lebanon is redolent with talk of the fear of political assassinations. The prime minister, Salim al-Huss, says that the paralysis dominating the Lebanese stage could find in the assassination attempts a way to move one orientation or another in the direction the planners of these criminal acts want.

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Premier al-Huss, who, of all the politicians in Lebanon, moves around the most, is not afraid of attempts to assassinate him because he is beloved--in fact, he determinedly believes that the plotters of assassinations want to change the political balances among the struggling forces through the assassinations, and he is not a party to these struggling forces.

Perhaps this is the second reason for the premier's failure to use the bulletproof Mercedes car which the government of West Germany gave him. The first reason is that the car is of no use in operations of detonation of explosive charges which kill everything around them within a radius of 50 meters.

The Problem of the Dealings with Israel

In the process of reviewing the current situation in Lebanon, we really find that the government's power to break the scope of the existing political paralysis remains extremely limited and that the problem of those dealing with Israel has reached the point where it is not possible to achieve practical progress satisfying any power which mortgages any progress toward reconciliation and a government of national federation to the solution of this intractable problem.

This situation has caused the issue of political movement to be of no consequence and to be incapable of changing existing balances. It has prompted a group of diplomatic observers to state that those who place movement before problems aspire to developments which might eliminate one of the parties to the current political balance, now that these problems have become linked with people.

This kind of development can come only through political assassinations, which may eliminate some political personalities and which would entail the elimination of these persons' approach--and transcend the problems, because the liquidation operations might be the price for satisfying political forces which are still adhering to their rigid positions. Diplomatic sources say that these rigid forces may be the target of assassination operations if it is desired to create parties whose leaders can be more effectively included.

The more serious these possibilities are, the greater the seriousness, anxiety and fear the Lebanese officials view them with. Some people believe that the assassination of Kamal Jumblatt in 1977 was an attempt to remove the thorn of a basic party to the Lebanese war, namely the National Movement.

However, this attempt did not lead to the intended object because the National Movement continued to be the major representative of forces in Lebanon; therefore, the fear lies in the fact that no new assassination

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will lead to a change in the picture, in the balance, or even in the problems--to the contrary, it will lead to more extremism and division.

Until the dust of the assassination attempts is dispelled, the politicians in Lebanon will still be faced with difficult choices--whether to escape and lessen the chances of falling victim to assassinations, as Gen Raymond Iddah did, to remain at the mercy of people holding evil designs, or to abandon politics and even talk about politics. In any case, the prayer which the men of religion have called for remains the only way to replace affection with violence and to replace assassinations with intelligent discourse.

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LEBANON

CONDUCT OF ISLAMIC GROUPS NOTED

Paris AL-WATAN AL-'ARABI in Arabic 9-15 May 80 pp 20-22

/Article: "Political Islam in Lebanon"/

/Text/ While the Shiite Moslem faction in Lebanon is gravitating toward the adoption of an approach which is politically and militarily more independent than that of the other main Islamic factions (the Sunnites and the Druzes), the Prime Ministers' Club in the Sunnite faction is still inseparable from the third presidency (the premiership). At the same time, this club is trying to regain its status with the Islamic man in the street, having lost much of it during the war.

Since 1943 the Lebanese have been talking about "political Maronism" as a slogan and the substance of the nature of the movements Maronite politicians in Lebanon make toward the other politicians of other factions, to the point where this political Maronism has acquired something similar to law and custom and has acquired an entity expressive of the Maronite power centers in the country.

From that date, until recent years, political Maronism remained a center of gravity around which various positions rotated and were measured, in terms of their proximity to or remoteness from it, because of the status the Maronite president occupied and the solidity of his status in comparison with the temporary character which stamped the tenure of the Sunnite prime minister and the Shiite chairman of the Chamber of deputies.

Now, after about 30 years of action to eliminate factionalism in Lebanon, we find that powers have been distributed among the various major factions, in spite of the emergence of the National Movement as a political force joining people of the various factions together under the slogan of "The left after the Lebanese war."

In recent days, talk has proliferated about "political Islam" in Lebanon, its role, its ideas, the principles it believes in, and the popular force it represents. While circumstances have made a force of Shiism in the context of the Amal movement which Mr Musa al-Sadr, the spiritual leader

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of the sect, established, "political Islam" in its Sunnite context still pervades power centers which cooperate, differ, ally and struggle together now that they also have entered the struggle on the local and Arab-wide axes.

What Does "Political Islam" Mean?

What, however, does the expression "political Islam" mean? Is it a cover for all Moslem political action, or has it managed through the years to achieve a force which has its fixed values, principles and activities based on a clear strategy?

It is most difficult to confine "political Islam" to a single area or body in Lebanon. There is the "Islamic grouping," there is the "Islamic Council," there is the "Society of the Graduates of Islamic Institutions," there are the Islamic bodies and societies which meet in political federations or political leagues, and naturally there is Shaykh Hasan Khalid the Sunnite mufti and his advisors.

The expression "political Islam" could mean all these forces--in addition to parties of an Islamic coloring, such as the Scouts Party for instance. It could mean one of them, if it was in the center of power, according to circumstances.

The expression "political Islam" could mean broad ad hoc fronts such as the "Islamic National Front" of 1958 during the civil war of the "Armun Summit" of 1975 when the recent explosion began.

However, since the beginning of the fifties this nomenclature has implied an Arabist current seeking political reform in Lebanon to create a just society, equality of opportunity among citizens and the fragmentation of factional privileges and monopolies.

Political Islam in Lebanon, in spite of the great impulses of popular currents which support it, could only gain a foothold in the fifties through Nasirism, could only find hope for democratic change in the sixties through Shihabism and could only strive for constitutional reforms to guarantee its rights in the seventies through a commitment to the Palestinian resistance and the Arabhood of Lebanon.

Perhaps this is what has made some leaders of "political Islam" come to prominence on specific occasions, only to have their star set because their prominence was within a context of varying circumstances, not within a basic Islamic structure which could respond flexibly to the demands of the age.

Now, with the emerging eighties, "Political Islam" has extended to the people through the celebrations of the 15th century since the Hegira. Although its extension has been religious and spiritual, politics has not

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been absent from the occasion. This has led to the raising of a basic question on the political future of Islam and its ability to live among other political forces in Lebanon, which have drawn from it and have tried to give it their characteristics without being able to hide the picture of what it represents.

Rotation in the Sunnite Leadership

On January 1977, after about a month had elapsed since he formed his first government, Prime Minister Salim al-Huss told the members of the Islamic Grouping, "From the first moment the prime minister comes to power in Lebanon, he feels that he is being prepared to move out, or to be moved out. From that moment, his instability and lack of solidity begin and this results in weakening his status and his positions."

Premier al-Huss had appealed to the grouping to support his government because he realized from the outset that the political history of Islam was full of competitions for positions of premiership. How could a doctor in economics enter the club of prime ministers without knowing politics in advance and knowing it as a profession?

From that day, Premier al-Huss placed his finger on the nature of what could happen in the future if political Islam formed a bloc against him. Perhaps the violent statement which the Islamic Grouping issued 2 weeks ago will furnish new proof of the fact that the future process of confronting Islamic forces will not be comfortable.

It was the custom that members of the prime minister's club would rotate the chair of the third head. Therefore, the fact that al-Huss has remained in power for more than three and a half years gives the impression that he is not prepared to move out or be moved out, in spite of all the crises he has suffered. This is reason enough for competitors to get moving.

The circumstances of today have brought the Islamic Grouping to the surface; it is the main power representing political Islam, even though some forces in the National Movement consider themselves representatives of political Islam, drawing their power and personnel from the Islamic man in the street.

The fact is that the Islamic Grouping which has resumed its activity since the years of the war lost a great deal of its power after the citizens in Lebanon had oriented themselves toward formulas of a non-factional national framework, since they were influenced by the factional problems which the events had brought out, which gave birth to opposing reactions among citizens. These were distinguished by a flight to national political forces or a flight to a seclusion from political exploitation of the factional context, as was the case with the Moslem Brothers and others.

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However, this loss did not prevent the Islamic Grouping from trying to get moving once more in fear that it would yield its positions to new young forces. Nor did that prevent it from admitting that it was absent from the arena, which it justified by the climate of terror which dominated the country in the past few years.

Vicissitudes in the Political Action of Islam

In recent years political Islam has made serious attempts to rise to positions of power which could impose change. However, these efforts have not been characterized by a quality of permanence. In March 1975, the Islamic Council requested the prime minister at that time, Rashid al-Sulh, to resign immediately because the Islamic will was no longer represented in the government, and it called for a modification of the Army Law in order to restore balance to it.

On 26 October 1975, the Islamic Summit met in 'Armun in the home of the mufti of the republic, Shaykh Hasan Khalid, in the presence of Mr Yasir 'Arafat, head of the Palestine Liberation Organization, and announced its support for the premier at the time, Rashid Karami.

The Islamic Summit itself on 5 December 1975 resumed and advised Premier Karami to return to the national demands before expanding the government and making a national reconciliation. On 8 September 1976 the Islamic Grouping delegation visited Damascus and met with President Hafiz al-Asad. The following day the late Kamal Jumblatt gave a statement in the name of the National Movement in which he attacked the Islamic leaders visiting Damascus.

After that visit, the activities of "political Islam" began to pale. Attempts were made to hold an expanded Islamic conference in November 1976, in what was then the center of religious judgments, as proof of the attempt by the National Movement's young leaders to accelerate the tide of Islam. However, the former prime ministers' boycott did not give these forces or even Mufti Khalid the opportunity to call for the resurgence of a new board differing from the traditional framework which the Islamic Grouping wanted.

In 1977 the Islamic Grouping's attempts to gain prominence continued, but that did not produce great results, in spite of Premier Salim al-Huss' personal interest in giving the Islamic Grouping a prominent role in Lebanese politics.

On 16 May 1977 the Islamic Grouping met Premier al-Huss, in the absence of Premier al-Yafi, Premier Karami and Mr Malik Salam. They informed him of their viewpoint regarding the issues of growth and development in the commercial circles in Beirut, the army, and formations and appointments.

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On 10 May 1977 the Islamic Grouping presented al-Huss with issues related to security; then, at the end of the month of May, it again demanded application of the Cairo and (Malkart) Agreements with the Palestinians, which was to be accompanied by the collection of weapons from all groups in order to make everyone secure. The grouping stressed this to President Sarkis in its meeting with him that month, with the understanding that the agreements with the Palestinian resistance would be carried out.

On 29 August 1977, the Islamic Grouping considered that the statement of the Maronite "Lebanese Front" after the Ihdin respite, was a blow to every sincere nationalist, and it stressed the need to support the president, who so far has proved that he is up to events and the massive task laid on his shoulders.

Traditional Islam Is Trying To Return

The fact is that with the beginning of the clash between the Syrians and the "Lebanese Front" in 1977, political Islam in Lebanon has been gravitating toward a style of attacking the regime in order to make it hesitate to adopt clear positions. Premier Sa'ib Salam, member of the Islamic Grouping, proceeded to accuse President Sarkis of colluding with the Lebanese Front.

However, this style did not prevent political Islam from trying to play its role on the Lebanese stage by various means, especially after it had sensed a clear tendency on the part of some Lebanese and Arab political forces to play a role in its name or to hand its forces over to the framework of the national and progressive forces. In spite of the ferocity of the national and progressive forces' attacks against it, it was able to retain its political weight within the Lebanese structure, in the hope that restrictions on arms and terror would cause its forces to return to their natural state.

In the course of a discussion with personalities who visited Damascus, Minister 'Abd-al-Halim Khaddam asked "What else does the Islamic Grouping represent besides some former premiers?" He raised the question anew before President Sarkis in Ba'abda Palace.

This occurred at a time when the Islamic Grouping delegation was visiting the Kingdom of Saudi Arabia in the context of its efforts to develop and enlarge its Arab contacts.

Perhaps this question occurred synonymously with the statement which one member of the grouping made to the effect that the delegation sensed backing for the role which Premier al-Huss is playing in Riyadh. It sensed a desire for the grouping's activities to grow in accordance with a clear intellectual structure of the grouping.

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Does that mean that the Islamic Grouping has chosen to support the prime minister instead of competing with him, in spite of the violent statement it made against him--although it is changing the contexts of action it has relied on in order to show more seriousness and to qualify it to play the role it wants?

Premier Rashid Karami, member of the grouping, who has withdrawn to Tripoli, believes that the current stage is a stage of shuffling of Islamic Grouping cards and that it does not consider it necessary to concentrate these forces within final groupings so that political Islam will not be compelled to rely on forces which the war drew out in their present volumes.

Shafiq al-Wazzan, member of the grouping and chairman of the Islamic Council, underlines this statement, adding that all Lebanese forces have faced political fluctuations in past years and that "political Islam" is being called on to play a fundamental role in the process of national reconciliation today, because the war, which has worn out all slogans, has retained the basic structure of political Islam in the broad context of Arabhood and the national context of needed political reforms.

President Fu'ad Shihab said, "The leaders in Lebanon do not die. Their role will have to appear some day." Proceeding from that premise, "political Islam" may adopt a new role in the eighties relying on the variables in the balances and powers which are achieved in the Arab area and in Lebanon in particular.

Perhaps at that point the question will not be who is representing "political Islam" in Lebanon so much as "what does political Islam represent in this coming stage, and what is its role in drawing a picture of Lebanon?"

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LEBANON

SYRIAN POLITICAL ROLE IN COUNTRY REVIEWED

Paris AL-WATAN AL-'ARABI in Arabic 9-15 May 80 p 22

/Article: "Khaddam's Talks in Beirut: Moving the Ball Into Sarkis' Court"/

/Text/ Syrian policy in Lebanon these days seems like a serial whose riddles everyone is befuddled in interpreting. Did Minister Khaddam's visit to Beirut and his discussions there result in breaking the mysteries of the serial?

Lebanese officials are befuddled in interpreting the reasons for and results of foreign minister 'Abd-al-Halim Khaddam's visit to Lebanon and his discussions with them.

Some observers described the visit as just alleviating a rebuke, while other observers felt that it was intended to return the ball to the court of President Ilyas Arkis, setting forth new rules for the game which would at least prevent him from returning it to the Syrian court.

In the process of reviewing the issues raised for discussion, we can deduce the following:

The Middle East crisis: Minister Khaddam said that Syria does not expect a new initiative in the coming months, although it has been maintaining its readiness to cope with the results of the autonomy talks between Egypt and Israel.

The Syrian minister expressed his fears that tension in the Gulf will turn into a broad military confrontation between the United States and Iran and that its fallout will extend to the Arabian Gulf.

Khaddam undertook not to ask Lebanon to join with Syria in Syria's stands.

The crisis in southern Lebanon and relations with the resistance: It has become clear that the southern issue is no longer one which Syria can

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help settle by military pressure, since the Arab deterrent forces have withdrawn from the coastal areas extending to al-Zahrani.

In the discussions, senior Lebanese officials expressed their fear that the crisis in the south will be transformed into a broad clash between the Amal movement and the Palestinian resistance.

The Lebanese authorities perceive a desire on the popular leaders' part to restrict the resistance's activity and remove it from the towns and villages, and a further desire to return the refugees to their regions.

The government is afraid that these demands will escalate but that it will not in practice be possible for it to play its part to limit them and that it will also not be possible for it to bring the army into these regions, as long as it does not receive basic assistance from Syria.

Khaddam replied that the negotiations with the resistance are an issue which the Lebanese government must take up directly, even though Syria may help bring the viewpoints closer.

Therefore, the top people in the regime in Lebanon felt that moving the cause into a direct dialogue bypassed the crisis of the south and its complications.

In this regard, Premier al-Huss says that he had been expecting more specific Syrian help in this regard, especially since direct contact with the resistance is going on. The latest meeting with Yasir 'Arafat took place 2 days before Khaddam arrived, but no principle emerged on whose basis it would be possible to arrive at a final mutual understanding on the situation in the south.

The security and military situation: Premier al-Huss presented his notion of security coordination with Syria from the standpoint of the promulgation of a plan in which the Arab deterrent forces and the Lebanese army would jointly assume charge of security along the coastal road from the far north to the far south.

However, Minister Khaddam did not want to discuss this subject, on grounds that there is no pressing security need today, as long as the Arab deterrent forces do not make new withdrawals from the existing areas, especially the markets in the capital.

President Sarkis' sources say that he was persuaded by the view of Minister Khaddam on this point, because he knew from the beginning that al-Huss would move from the security question to the issue of the army and the decree applying the command organization, because it is the first problem standing in the way of implementation of any security plan and implementation of the principles of reconciliation.

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These sources state that President Sarkis did not want Syria to face a choice between his plan and that of al-Huss, because Syria might gravitate toward al-Huss' side in rejecting the absolute powers of the Intelligence Department. However, Khaddam spared him this situation when he also skirted the process of making the choice.

The National Federation Government and the principle on dealings with Israel: On discussion of the principles of reconciliation, Minister Khaddam told President Sarkis that Damascus supported the principles he declared in the letter he sent recently to the Lebanese. He recommended that President Sarkis conduct consultations dealing with one subject, namely the issue of dealings with Israel, so that if he reaches an obvious change, to reject such dealings in a decisive manner, Syria will be able to help him reduce the obstacles regarding the formation of a government of activities and specifically will be able to persuade President Sulayman Franjiah to change his stand in opposition to the Phalange Party's participation in any future government.

In Khaddam's review of this issue, several points stood out, most important of which were: the dialogue between Syria and the Maronite Phalange Party is expected to develop. The Phalange Party's statement in Damascus on rejecting dealings with Israel was not sufficiently convincing, while Syria will not put a veto on any political power once it has established the principle of refusing to deal with Israel.

In any event, in the light of the discussions with Khaddam, Lebanese officials believe that the issue of refusing to deal with Israel has come to take precedence over the issue of discussing formation or nonformation of a national federal government implementing the principles of reconciliation.

President Sarkis' sources say that the discussions did not result in definition of a formula for the principle of "refusing to deal with Israel." Therefore Syria perhaps wanted to divert the government by discussing formulas which could be rejected at any time and also wanted to postpone the resolution of any pending matter in the Lebanese scene.

What is important today is that the "Lebanese Front" still considers that the dialogue with Syria is a dialogue which is moving toward common points. Therefore its reactions to the results of the visit were in general positive; as for the National Movement, it considers that Syria is trying to give President Franjiah a big role which will satisfy him, because it wants him to feel that it is he who stalled the reconciliation for a year because of his refusal to deal with those who deal with Israel, and that it is he who will have returned to permit the efforts behind the reconciliation to continue, if he gets what he wants.

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Perhaps this is what prompted one of the heads of the National Movement to state that what is going on now is only a production process for the final chapter prior to the government of activities and that attempts will now be concentrated on moving the ball into President Sarkis' court.

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LIBYA

QADHDHAFI'S PURSUIT OF OPPONENTS DISTURBS RELATIONS WITH WEST

Paris AL-WATAN AL-'ARABI in Arabic 16-22 May 80 pp 34-35

[Article: "The Libyan-Angol-American Crisis: From Steadfastness to Pursuit; Liquidation of the Opposition Abroad Turns into Confrontation with London and Washington"]

[Text] Within less than a month, Libyan hit squads killed six opponents of President al-Qadhdhafi who were in exile in Europe. The bloody chase, however, has turned into a sharp diplomatic crisis between the Libyan regime, on the one hand, and the United States and more than a European country, on the other. It threatens to have oil and trade implications and ramifications.

London--The British lavishly congratulated themselves for the successful operation mounted by British commandos who stormed the Iranian embassy to "rescue" Iranian hostages from armed Arab attackers from the province of Arabistan (Khuzestan).

The British received more praise--this time from the Iranian president Abol Hasan Bani-Sadr himself who sent a message of "thanks and congratulations" to prime minister Margaret Thatcher. When he sent the message, he had just published an article in his newspaper in which he accused her of plotting with Carter to engineer the embassy incident.

The euphoria of triumph began to dissipate, however, as a number of grisly facts about the embassy incident gradually began to unfold. AL-WATAN AL-'ARABI alluded to these facts in its previous edition.

The British have discovered that the 5 armed Arabs were not killed in a battle with the commandoes, but were liquidated by the commandoes after they were pointed out to them by Iranian hostages. The commandoes spared the life of only one gunman and handed him over to Scotland Yard for investigation.

According to an eyewitness, Pakistani-born British journalist (Mohamed Hashir Faruqi), who happened to be in the embassy when the gunmen broke

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into it, the gunmen did not intend to resist and shouted "surrender, surrender," in Persian when the commandoes managed to break into the embassy. This story was supported by British press reports and accounts which gradually began to unmask what went on inside the embassy when the commandoes stormed it. British papers had noted that the British authorities were using delaying tactics in responding to the demands of the gunmen during the negotiations with them. Those demands had dwindled in the end to a mere request to hold a news conference to explain their province's desire for autonomy and then leave the country. The fact of the matter, as the British press noted, is that the British authorities had decided to storm the embassy regardless of the consequences.

Journalist Faruqi says that the gunmen could have killed all the hostages had they wanted to do so. But they only killed the press attache 'Abbas (Luasani) when he provoked them, challenged the claims of their province and assailed their deep hatred for the religious leader Ayatollah Khomeyni.

So, the "high efficiency and good luck" which characterized the British rescue operation ended in a massacre: the death of 5 gunmen and one other hostage besides the Iranian press attache. This could have been averted had British authorities allowed Arab diplomatic mediators to try to end the incident peacefully. The British foreign office refused to allow Arab diplomats to undertake mediation efforts when declined to provide them with prior guarantees that the embassy would not be stormed.

The British hope that the Iranians would not ask them for compensations for damages befalling the embassy, which are estimated at 800,000 pounds sterling. They have reminded Iran in anticipation that Tehran has not compensated Britain for damages suffered by the British embassy when demonstrators broke into it in 1978, toward the end of the shah's regime. At that time, those damages were estimated at 220,000 pounds sterling. It is certain that Bani-Sadr will not ask Britain for any compensation and will satisfy himself with the great favor Britain had done his regime by liquidating the Arab gunmen.

The British Embroil the Americans

The storming of the Iranian embassy, however, is not the "hot" issue in the British government's list of concerns. Britain is presently preoccupied with a diplomatic crisis with Libya. The crisis has forced the foreign secretary, Lord Carrington, to stay behind and not accompany Prime Minister Thatcher to Belgrade for the funeral of the late Yugoslav President Tito.

British diplomatic shrewdness has resorted to the clever gambit of embroiling the United States in the crisis with Libya, in order to lessen the impact of Libya's reaction. British security sources leaked information to the American authorities about plans by Libyan diplomats to mount an "intimidation" campaign against opponents of President al-Qadhafi in the United States. American officials, their nerves racked by the Afghanistan developments, the hostages crisis in Iran and the failure of their own rescue attempt, quickly set off a major diplomatic crisis with Libya.

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The State Department declared 4 Libyan diplomats persona non grata and asked that they be recalled within a certain period of time. The Libyans, however, would not capitulate. On instructions from their government, they declared that the 4 would not leave the United States because they are students, not diplomats.

The crisis escalated. FBI agents surrounded the premises of the Libyan embassy and threatened to arrest anyone entering or leaving the embassy and to put him on the first plane leaving for Tripoli. In view of this, the four Libyans were forced to leave the United States.

American authorities have failed to provide any details about the material evidence on which they made charges against the four diplomats. They would only say that the FBI was keeping them under surveillance and that the authorities have ascertained that the four had engaged in an "intimidation" campaign against the opponents of al-Qadhdhafi who have sought refuge in the United States. Perhaps it is that the Americans, angered by several recent setbacks, beginning with the failure of the attempt to rescue the hostages in Iran and ending with the suspension of the autonomy talks between Egypt and Israel, did not fully assess the consequences of their involvement at this particular time in a diplomatic crisis with a regime that is no less nervous and tense than them, such as the regime of President al-Qadhdhafi.

Al-Qadhdhafi Threatens

Indeed, the Libyan president threateningly announced that he is seriously considering cutting off oil shipments to Britain and America and to pull out Libyan funds deposited in both countries. He followed his threat with another one, when he raised the issue of reparations to Libya for the millions of mines left by World War Two armies in the Libyan desert, which have since killed a large number of Libyans.

That desert, as it is well-known, was the site of a formidable tug of war between the forces of Germany's Marshal Rommel (the desert fox) and the forces of Britain's Gen Montgomery and their American or Italian allies (1941-43).

The British chuckled secretly over the Libyan threat. They had nothing much to lose since they reportedly ceased to import Libyan oil last year. A small number of British firms are fulfilling insignificant contracts with Libya, but there are 6,000 British citizens working in Libya as advisers and experts assigned to several projects.

The Americans are the ones who would lose most if al-Qadhdhafi were to carry out his threat. There are 2,500 Americans working in Libya. Eight percent of United States oil imports (600,000 barrels per day, or 35 percent of Libya's oil output) come from Libya. American oil companies own or run oil fields, refineries and wells which account for about two thirds of Libya's oil production (or 1,700,000 bpd).

Although as a precaution, the United States quickly withdrew its two remaining diplomats from Libya following the incident in which President al-Qadhdhafi's supporters broke into and set fire to the embassy in December, the United States stands to suffer serious material losses were al-Qadhdhafi to carry out his ultimatum or cut off oil. London and Washington, however, do not believe that al-Qadhdhafi will carry out his threat, especially since he has forgotten or backed down from similar threats in the past. The latest was his threat to punish the United States if it failed to deliver to him the C-130's and Boeings for which he had paid in advance.

Libyan-American relations have been swinging back and forth over the past few years. They showed a marked improvement when Carter's younger brother, who works in commercial advertising, visited Libya. Upon his return, he promoted American-Libyan friendship but his zeal evaporated gradually.

The Libyan funds which President al-Qadhdhafi has threatened to withdraw amount to about \$10 billion which are split between the United States and Europe. Although they constitute only a part of the Arab oil surpluses which are invested in the two continents, their withdrawal would add to the confusion and disarray of the international financial market which is still stung by the vestige of the negative impact of the American freezing of Iranian funds.

Perhaps the two European countries which stand to be most affected by the outbreak of a serious crisis between President al-Qadhdhafi and the West would be West Germany and Italy. (A Libyan opposition personality was killed in Germany on a weekend at the same time that another was killed in Italy. This brings to 6 the number of persons whom al-Qadhdhafi had liquidated abroad since April for failing to return home.)

Germany imports 350,000 bpd from Libya, or 16 percent of its oil needs, while Italy imports some 300,000 bpd, or 15 percent of its oil needs. In addition to that, there is a large Italian community of some 20,000 persons in Libya, with important commercial and economic interests.

Actually, the European nations in general do not want to get into a confrontation with Libya for clear oil reasons, especially at a time when Iranian oil has almost trickled to a stop. At the same time, they do not want their territories and capitals to become arenas of assassination and chasing grounds in the battle between regimes and their opponents. At any rate, there is a tendency to be strict with Libya if President al-Qadhdhafi fails to call off his bloody pursuance of his opponents who have reportedly renewed their activities on a wide scale lately.

The British say that sending hit squads to silence opponents abroad with bullets is not a sign of strength, but a sign of weakness within the Libyan regime and an indicator signaling the growth of opposition at home. The Libyans, however, do not see it that way. They say that they are pursuing "exploiters and the bourgeoisie," and that they have the right to pursue those elements abroad as they have the right to pursue them at home.

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At any rate, Europe will not suffer alone as a result of the deterioration of the crisis between the two sides. Libya too, which imports all its needs from the West with oil money, will stand to lose in the process of steadfastness and pursuit.

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LIBYA

DIPLOMATIC UPHEAVALS REFLECT DOMESTIC DISTURBANCES

Paris AL-WATAN AL-'ARABI in Arabic 23-29 May 80 p 26

[Article: "In Libya, the Middle Class Reads the Green Book From Left to Right"]

[Excerpt] The March on the Embassies

The purges continue at Libyan embassies overseas. "Popular Revolutionary Committees" have taken over nine embassies, including two in Eastern Europe, declaring the end of "diplomatic ties" with other peoples and obsolete "popular relations." The fate of the traditionalist ambassadors and diplomats, or whether or not they will return to Libya, is as yet unknown.

The official Libyan news agency, which is distributed here, commented on the "march of heroes and soldiers of the glorious, First of September Revolution" on the Libyan embassies overseas, describing it as a "convulsion of the popular revolution which is continuing to shatter the foundations of traditional diplomacy, which is the product of capitalist society, and to build on its rubble new foundations for popular action and international relations among peoples."

The prevailing belief is that the "march" on the embassies was inspired by concepts of the third world theory originated by President al-Qadhdhafi as a middle course between "unbelieving Communism" and "exploiting capitalism," and propounded in the "Green Book," which he offers as a gospel of salvation for the people of the world. The theory is based on "mass power" and the dissolution of governmental power, a step which is being implemented on a wide scale in Libya but which critics of the regime say has led to "total chaos."

There are conflicting reports of the occurrence of "complaints" among the prosperous groups in Libya, protesting the recent economic measures which included the nationalization of private economic and industrial organizations. The latest such measure is the change in the national currency. However, the replacement of all the currency being carried by the citizens

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is not yet complete. Each citizen is being given 250 Libyan dinars, and a check for the remainder.

It is rumored that demonstrations and clashes have occurred in Benghazi and Tobruk, and it is said that more than 2,000 persons have been arrested, a third of whom have been "purged" on the charge of corruption, including officers, government officials, businessmen and students. These reports have not been officially confirmed or denied, but it is not Libya's custom to announce the results of the trials of "corrupt persons."

The prevailing belief here is that President al-Qadhdhafi is hastening to nip the domestic opposition movement in the bud by means of the arrests. He has also vowed to prosecute some of its leaders who are active overseas, relying on his popularity among the ranks of students and young people, on the one hand, and on the firm surveillance which his intelligence agencies have imposed on Libyans living in exile in Europe.

Some British businessmen recently returned from Libya attribute the disturbance to the "revolt of the middle class," the upper segments of which were affected in the early 1970's by the colossal failure of development and construction projects. However, these segments now violently oppose the radical revolution which President al-Qadhdhafi initiated in 1968, derived from the principles of the Green Book which he wrote in a desert tent.

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LIBYA

BRIEFS

FRENCH MERCENARIES IN PRISON--There's beginning to be some light shed on the outcome of the three French pilots who mysteriously disappeared two years ago over the Mediterranean. According to sources in Chad, Michel Winter, Roland Raucoules, and Philippe Totu were recruited by the Libyans, without knowing exactly for what mission. When they learned that it was a question of escorting to N'Djamena a commando charged with blowing up the French Jaguars, they refused. Since then they have been imprisoned in the Libyan desert. [Text] [Paris VALEURS ACTUELLES in French 30 Jun 80 p 13]

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